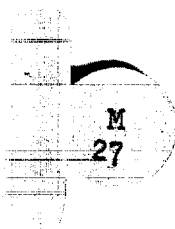


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ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting held in
Room 2125, Temporary "M" Building
26th and Constitution Avenue, N.W.

28 May
17 June 1953

PRESENT

Dr. Otto E. Guthe, CIA, Chairman
Mr. Edward Doherty, State
Mr. Howard Wiedemann, State
Col. George B. Russell, Army
Mr. J. Duncan Holmes, Army
Dr. George Kidd, Navy
Col. William C. Baird, Air Force
Mr. John W. Easton, JCS
Mr. Edward F. Denison, Commerce
Mr. Edward Ames, Federal Reserve
Dr. Edward I. Mullins, Defense
25X1A9a [REDACTED], CIA
25X1A9a [REDACTED] CIA
25X1A9a [REDACTED] CIA
25X1A9a [REDACTED] CIA, Executive Secretary

APPROVAL OF MINUTES

1. Action: The minutes of the Economic Intelligence Committee meeting of 9 April 1953, (EIC-M-26) were approved.

MONTHLY STATUS REPORT OF EIC PROJECTS IN PROGRESS

2. Discussion: The Chairman reported the final publication of EIC-R-4, "Potential Economic Gains to the USSR Resulting from the Acquisition of Western Europe before mid-1952"; and also reported the completion in draft form of: (a) EIC-R1-S2, "Communist China's Imports and Shipping Involved in Trade with Communist China, 1 July 1952-31 December 1952" and of (b) EIC-S-10, "Survey of Professional Personnel in the US Government Engaged in Economic Research on Non-Soviet Areas."

RECONSIDERATION OF PROPOSED REPORT TO THE IAC ON THE EIC REPORT ON "ECONOMIC CAPABILITIES OF THE SOVIET BLOC TO SUPPORT A GENERAL WAR" (EIC-R-2 - WP)

3. Action: A redraft of the proposed report by Mr. John Easton, JCS, was approved.

PROPOSED EIC COORDINATION OF EXTERNAL RESEARCH PROJECTS

4. Action: It was agreed that exchange of information on and appro-

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priate coordination of external economic research projects contemplated and in progress by the EIC member agencies was desirable.⁽¹²⁾

5. It was further agreed that the proposed CIA/RR External Research Project on the Input Structures of US Industries should be reviewed by the EIC Subcommittee on Economic Analysis.

6. Discussion: Col. Baird stated that the proposed CIA/RR external research project supplemented an external research project being considered by the Air Force on "Inter-industry Relationships in the USSR."

PROPOSED COORDINATION OF INTELLIGENCE ON COMMUNIST CHINA'S INTERNAL TRANSPORT SYSTEM

7. Discussion: Dr. Guthe reported that the JIC had initiated a study of Communist China's Internal transport system and that the IAC has suggested that the EIC review the available intelligence studies relating to this problem including the JIC study (IAC-M-108, 26 May 1953). He further pointed out that an EIC coordinated report, similar to the EIC report on the Trans-Siberian railways, (EIC-R-9), might be desirable since the status of Chinese transportation was of general intelligence interest.

REVIEW OF THE ACTIVITIES OF THE EIC SUBCOMMITTEES

8. Action: The members agreed to review at their next meeting the existing structure of the EIC Subcommittees and the activities of individual subcommittees as part of the EIC review of the second annual progress report for the IAC.

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PROPOSED CRITERIA FOR THE PUBLICATION OF EIC REPORTS

12. Action: The members agreed that economic intelligence reports may be published in the name of the producing subcommittee of the EIC with the authorization of the EIC.

13. Discussion: Following discussion, the Secretary was directed to incorporate the members' suggestions in a redraft of the proposed criteria.

REVIEW OF AGRICULTURAL SUBCOMMITTEE STUDY ON SISAL

14. Action: The paper was approved for issuance as a concurred report of the Agricultural Subcommittee.

REVIEW OF TRANSPORTATION SUBCOMMITTEE STUDY ON "THE IMPACT OF SHIPPING CONTROLS ON WESTERN EUROPE AND THE SOVIET BLOC"

15. Action: The paper was approved for issuance as an EIC Working Paper.

CONSIDERATION OF STUDY PROPOSED BY THE SUBCOMMITTEE ON INTERNATIONAL TRADE AND FINANCE, "THE SOVIET BLOC BALANCE OF PAYMENTS WITH THE FREE WORLD"

16. Action: Comments on this proposed study are to be submitted to the EIC Secretariat.

→ REVIEW OF SURVEY OF "PROFESSIONAL PERSONNEL ENGAGED IN ECONOMIC INTELLIGENCE AND RELATED ECONOMIC RESEARCH FOR NON-SOVIET AREAS" (EIC-S-10)

17. Action: Corrections should be submitted to the EIC Secretariat prior to final issuance on 20 June.

NEW MEMBERS

18. Action: The following people have been appointed to serve on the Economic Intelligence Committee:

Colonel William C. Baird
Chief, Plans and Programs
Department of the Air Force

Mr. George H. Willis
Director, Office of International Finance
Treasury Department
(replacing Dr. George C. Haas)

The following person has been approved to serve as an alternate member of the EIC Subcommittee on Petroleum:

Mr. Warren E. Morrison
Staff, Industrial Minerals Branch
IFI, OIR
Department of State